## Local Government Mandate Statement Kentucky Legislative Research Commission 2018 Regular Session

**Part I: Measure Information** 

Bill Request #: 1075									
Bill #: HB 418									
Document ID #: 5091									
Bill Subject/Title: An Act relating to internet service providers.									
Sponsor: Rep. McKenzie Cantrell									
Unit of Government: x City County Urban-County Unified Local									
Charter County Consolidated Local Government									
Office(s) Impacted: Municipal internet service providers									
Requirement: Mandatory Optional									
Effect on  Powers & Duties:x _ Modifies Existingx _ Adds New Eliminates Existing									

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 418 creates a new section of KRS Chapter 45A requiring broadband Internet access service providers doing business with the Commonwealth under the Kentucky Model Procurement Act to adhere to certain network management practices. The Act creates a new section of KRS Chapter 367, Fair Access to the Internet Act, to protect consumers from broadband Internet access service providers who fail to adhere to reasonable network management practices.

## The fiscal impact of HB 418 is indeterminate and minimal to potentially moderate.

Regarding the impact on revenue, net neutrality rules currently forbid the practice of paid prioritization, therefore, this bill would not take away currently available revenue streams. However, once current FCC rules expire in April, cities that provide internet service would be able to collect revenue through a paid prioritization system. So, while the bill would eliminate a potential revenue stream, it also only applies to those cities that connect to the KentuckyWired system. Further, only seven cities (Barbourville,

Bardstown, Grand Rivers, Lexington, Owensboro, Paducah, and Williamstown) reported telecommunications-related revenue in FY 2016.

Below is a list of all municipal broadband providers:

- 1. Frankfort Electric Plant Board
- 2. Owensboro Municipal Utilities
- 3. Barbourville Utility Commission
- 4. Bardstown Municipal Utilities
- 5. Bowling Green Municipal Utilities
- 6. Franklin Electric Plant Board
- 7. Glasgow Electric Plant Board
- 8. Henderson Municipal Power & Light
- 9. Hopkinsville Electric System
- 10. Mayfield Electric & Water System
- 11. Murray Electric System
- 12. Paducah Power System
- 13. Princeton Electric Plant Board
- 14. Russellville Electric Plant Board
- 15. Williamstown Utility Commission

## Part III: Differences to Local Government Mandate Statement from Prior Versions

The Part II section above pertains to the bill as introduced and there are not any prior introduced versions of the bill to complete the Part III section.

Data Sourc	e(s):	Kentucky .	League of	Cities; I	Kentı	icky M	unicipal	<u>Utilities</u>	Associ	ation_	
Preparer:	H. Mar	·ks	F	Reviewe	r: _	KHC		D	ate:	2/28/18	